THE FAIRHOLME FOCUSED INCOME FUND

FAIRHOLME

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FAIRHOLMEFUNDS.COM

FOR IMMEDIATE RELEASE

FAIRHOLME FUNDS, INC.

Miami, FL June 30, 2016

THE FAIRHOLME FOCUSED INCOME FUND ANNOUNCES DIVIDEND

On June 30, 2016, the Fairholme Focused Income Fund ("FOCIX" or the "Fund") distributed an Ordinary Income dividend of \$0.12822 per share to shareholders of record as of June 29, 2016. The Fund's Net Asset Value ("NAV") was reduced by the amount of the distribution.

The Record Date, Ex-Dividend Date, Payable Date, and Cents-Per-Share are as follows:

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Distribution Type	Record Date	Ex-Dividend Date	Payable Date	Cents-Per-Share
Ordinary Income	June 29, 2016	June 30, 2016	June 30, 2016	\$0.12822

Past performance is not a guarantee of future results.

The Fund's investment objectives, risks, charges, and expenses should be considered carefully before investing. The <u>prospectus</u> contains this and other important information about the Fund, and it may be obtained by calling Shareholder Services at (866) 202-2263 or visiting our website www.fairholmefunds.com. Read it carefully before investing.

Investing in the Fund involves risk including loss of principal. The Fund is a non-diversified mutual fund, which means that the Fund invests in a smaller number of securities when compared to more diversified funds. This strategy exposes the Fund and its shareholders to greater risk of loss from adverse developments affecting portfolio companies. The Fund's investments are also subject to interest rate risk, which is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise and rise in value when interest rates decline. Also, securities with long maturities typically experience a more pronounced change in value when interest rates change. Debt securities are subject to credit risk (potential default by the issuer). The Fund may invest without limit in lower-rated securities. Compared to higher-rated fixed income securities, lower-rated debt may entail greater risk of default and market volatility.

Fairholme Distributors, LLC (6/16)